

NEW SOUTH WALES.BUSINESS STATISTICS - MONTHLY DIGEST.AUGUST - 1942.

CONTENTS of this issue include: Public finances, banks and bank clearings, savings deposits and war savings certificates, bond yields and share prices, price index numbers, manufacturing activity, employment (incl. rural industries, 1941/42), building, public transport and crop statistics, notes on rural industries, etc.

GENERAL.

Outstanding events of economic importance in July, 1942, were the High Court's decision in favour of the uniform income tax scheme, the clothing manufacture regulations and the coal industry code. June Quarter retail price indexes reflected a rising cost of living and the male basic wage was increased 2/- from the beginning of August.

Commonwealth war expenditure in 1941/42 was £319.5 million and in July, 1942 it reached £31.37 m. for the month.

Employment statistics reflect the continued progress of the war effort.

From August 15th, all petrol and oil sold will be "Pool" spirit. Distribution has been rationalised in order to increase efficiency and conserve man power.

PUBLIC FINANCE.

Commonwealth Government expenditure on war and other purposes in 1940/41 and 1941/42 are shown below. All revenue available in the Consolidated Revenue Fund after ordinary services have been met is devoted to war purposes.

COMMONWEALTH GOVERNMENT EXPENDITURE.

	<u>1940/41</u>	<u>1941/42</u>
	<u>£m.</u>	<u>£m.</u>
Expenditure from C.Rev. Fund -		
Ordinary Services:	84.75	101.53
War (1939-) Purposes:	68.66	108.52
Total, C.R. Account	153.41	210.05
War (1939-) Expenditure from Loans	101.58	210.94
Total War (1939-) Expenditure ^x	170.24	319.45

x Net, after recoveries from other Administrations.

In 1941/42 Federal Income Tax returned £71.28 m. compared with £39.32 m. in 1940/41. War Time (Company) Tax and Super Tax yielded £8.96 m. compared with £3.99 m. in the previous year.

The Budget for 1942/43 is expected to be submitted to Parliament early in September. It was stated in June that the Government did not intend to raise the rates of income, company, land or indirect taxes except insofar as individuals were affected by the uniform tax scheme (which is now in force).

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In addition to vacating the income tax field to make way for uniform rates throughout Australia, the States have been informed of the Commonwealth Government's intention to apply a uniform entertainments tax scheme. Compensation would be paid to the States on the basis of their revenue from such taxes in previous years.

From mid-August, the pay of men in the Services has been increased by 6d. a day bringing an Army private's pay to 6/6 a day. Women in the Auxiliary Services will receive an increase of 4d. a day. Allowances to dependants of servicemen also have been increased. Wives will receive for themselves 4/6 per day (increase 1/-) for first child 3/- (increase 6d.), second child 2/- and other children 1/6 a day. In addition soldiers make a compulsory allotment as before. Members of the fighting forces whose income in 1941/42 did not exceed £250 will be exempt from taxation.

The maximum rate of invalid and old-age pensions will be increased by 6d. a week 25/6 from 1st October 1942. The adjustment is a result of the rise of the cost of living.

In July 1942, war (1939-) expenditure of the Commonwealth was £31.37 m. of which revenue provided £6.5 m. In July, 1941, war expenditure was £15.5 m., the amount provided from revenue being £2.6 m.

Announcement of the opening of the next war loan is expected shortly.

The Loan Council has approved of the allocation of £11.42 m. for public works, other than direct defence works. Last year the total was £10.63 m. New money required in 1942/43 will be only £7.33 m. owing to a carryover.

The bulk of the work will be of an essential or indirect defence nature. Total allocations are:- Commonwealth £150,000; N.S.W. £3,289,000; Queensland £2,086,000; Victoria £1,538,000; South Aust. £2,475,000, Tasmania £950,000 and West Aust. £927,000. Recommendations by the Co-ordinator-General of Works included £1,138,000 for N.S.W. Railways and £600,000 for the pipe line to augment the city water supply.

For the first time since 1909-10, the accounts of every State showed a surplus. The surplus for 1941/42 in the combined accounts of the N.S.W. Consolidated Revenue Fund and Business Undertakings, etc., was £1,099,000 compared with a deficit of £624,000 in the previous year.

N.S.W. GOVERNMENT CONSOLIDATED REVENUE AND BUSINESS UNDERTAKINGS ETC.

Includes Unemployment Relief and Social Services Funds which were incl. in the C.R. Fund from 1st July, 1941.

	Financial year.				
	1937/38	1938/39	1939/40	1940/41	1941/42
Revenue £n.	60.09	58.85	63.26	67.78	70.79
(a) Expenditure £n.	59.97	61.60	65.50	68.40	69.69
Surplus (+) or Deficit (-) £n.	+ 0.12	(-) 2.75	(-) 2.24	(-) 0.62	+ 1.10

(a) Including Sinking Fund as follows:-

1937/38 : £1.64 m.	1939/40 : £1.97 m.	1941/42 : £2.30 m.
1938/39 : £1.78 m.	1940/41 : £2.14 m.	

TRADING BANKS.

Deposits in nine Australian trading banks in June, 1942 were £27.9 m. above the corresponding month a year ago. Fixed deposits were lower by £12.9 m. and deposits on current account higher by £40.8 m. The ratio of cash, plus deposits with the Commonwealth Bank, to deposits was 9.25% in June, 1941 and 10.41% in June, 1942.

In N.S.W. private trading bank deposits bearing interest decreased heavily from March Quarter to June Qr. 1942. Current account deposits also decreased. Factors in the situation were war loan subscriptions and income tax payments. There was a relatively small decline in advances.

The Commonwealth Government has announced that legislation will be introduced soon to enable the Government to carry out its promise to establish a mortgage bank.

TRADING BANKS - PRIVATE BUSINESS IN N.S.W.

(Excludes Commonwealth and Rural Banks and excludes Government deposits.)

Quarter ended -	Deposits (a)			Advances (a)	Excess of Deposits over Advances.
	Bearing Interest (fixed)	Not Bearing Interest	Total		
	£000	£000	£000	£000	£000
June 1939	64,668	51,381	116,049	122,219	(-) 6,170
" 1940	66,276	60,392	126,668	117,910	8,757
" 1941	65,814	69,855	135,669	113,890	21,780
Sept. "	64,851	71,129	135,980	114,936	21,044
Dec. "	65,856	76,432	142,288	113,565	28,723
Mar. 1942	67,467	82,727	150,194	108,608	41,586
June "	61,784	81,308	143,092	107,896	35,196

(a) Averages for quarter.

Savings bank deposits, for the third month in succession, showed a large increase in June, 1942 despite the subscription of £37 m. to the second Liberty Loan. The increase was £1,613,000 compared with £n.1.815 in May and £n.1.652 in April.

Total net sales of War Savings Certificates in N.S.W. to the end of April, 1942 were £8,922,000. Net purchases in April were £210,000 compared with £340,000 in March, 1942.

INVESTMENT.

There has been a steady market recently for Commonwealth bonds. The demand is considered to spring from a desire to hold rather than as an effect of a swing from industrial investments occasioned by uncertainty as to the Government's taxation and economic mobilisation measures. The yield on bonds maturing in less than 10 years and subject to taxation at 1930 rates which has been declining since March 1942 fell further in July.

A loan of £300,000 (renewal), sought by the Melbourne Board of Works, was quickly subscribed. The terms of issue were par, $3\frac{1}{2}\%$ for 15 years. The City Electric Light Co. Ltd., Brisbane, is making an issue of £412,000 first mortgage stock and debentures at par. The rate offered is $3\frac{3}{4}\%$ for eleven years. This loan is the second of a series of which the first for £500,000, issued last year, had a currency of 10 years and carries interest of $4\frac{1}{2}\%$.

Share prices, as reflected in the N.S.W. Statistician's Index, continued to increase in June. During July, the index of share prices published by the Sydney Stock Exchange showed little change. It was 105.08 on 1st July and 104.02 on 31st July.

N.S.W. INVESTMENT YIELDS.

	Share Prices Sydney 34 Active shares par = 100 (Govt. Statistician's Index)	YIELD ON COMMONWEALTH GOVERNMENT SECURITIES TAXED AT 1930 RATES. x		RATES OF INTEREST ON PRIVATE FIRST MORTGAGES ø	
		5 years & under 10	10 years & over.	Rural	Urban
		%	%	%	%
1939, Sept.	180	3.98	4.04	5.2	5.5
1942, May	153	2.95	3.12	4.8	5.4
1941, Oct.	186	3.06	3.19	4.9	5.5
Nov.	182	2.94	3.13	4.9	5.5
Dec.	171	2.94	3.09	4.9	5.5
1942, Jan.	166	2.92	3.04	5.0	5.5
Feb.	157 x	3.07	3.16	5.0	5.5
Mar.	147 x	3.07	3.17	5.0	5.5
Apr.	150	3.00	3.13	4.9	5.5
May	153	2.95	3.12	4.8	5.4
June	157	2.93	3.13	4.9	5.4
July	-	2.89	3.13	-	-

x Last Wednesday in month.

* Share transactions were suspended from 20th Feb. to 10th March, inclusive.

ø Weighted average rate excl. mortgages to banks and Government.

On the New York Stock Exchange there has been a marked rise in the price of N.S.W. 5% 1957 bonds.

PRICES & BASIC WAGE.

The "C" Series Index Number of Retail Prices (cost of food, groceries, clothing and housing) in six capital cities of Australia increased by 17.9% between September Quarter, 1939, and June Quarter, 1942. Retail prices of clothing increased by 53.7% and food prices by 11.4% during the period. There has been little change in rents. Recently food prices have tended to rise.

Contributing to the rise in prices are war time increases in Customs and Excise Duties and Sales Taxes.

The Prices Commissioner, in a memorandum to the recent Premier's Conference, stated that prices had risen despite fairly rigid control of profits. The alternatives available to keep prices as low as possible were a further reduction of profit margins and a system of subsidies. The financial burden of subsidies would probably embarrass the Commonwealth Government. However, the Government has dropped its proposal to limit profits to 4%. The administrative difficulties of providing a just application of the 4% limitation principle were stated to be insuperable.

"ALL ITEMS" RETAIL PRICES INDEX.

(Cost of food, groceries, clothing, housing etc.)

Base:- 1923-27ø = 1000

City or Town	1938	1939	1940	1941				1942	
				Mar. Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Mar. Qr.	June Qr.
N.S.W. - Sydney	913	936	974	1018	1019	1027	1048	1070	1096
- Five Towns	911	933	972	1015	1017	1025	1045	1068	1094
Aust. - 6 Capital Cities	897	920	957	995	1000	1009	1029	1053	1081

ø Weighted average of six capital cities.

/The adjustment.....

The adjustment of the Basic Wage on the basis of the cost of living has brought the Federal Basic Wage (Adult males, predominant rate) in Sydney to 95/- per week. The rate of increase has accelerated. The respective increments in 1939, 1940 and 1941 were 1/-, 3/- and 4/- and the increments in three quarters of 1942 amounted to 6/-.

BASIC WAGE (PREDOMINANT RATE) IN FEDERAL AWARDS.

SYDNEY.

Shillings per week - Adult males.

	Quarterly adjustment commencing:-			
	February	May	August	November
1938	79	79	80	81
1939	81	82	81	82
1940	82	83	85	85
1941	88	88	89	89
1942	91	93	95	

Wholesale prices, particularly of imported goods, increased sharply in May, 1942. The increase was 5.9%. Imported goods increased by 9.6% in price, while goods principally home produced increased by 4.1%. Building materials and foodstuffs showed sharp increases in May, 1942.

WHOLESALE PRICES (BASIC MATERIALS AND FOODSTUFFS) - AUSTRALIA.

(Base 1928-29 = 1000)

Period	Metals & Coal.	Oils, Fats & Waxes	Textiles	Chemicals	Rubber & Hides	Building Materials	Food- stuffs & Tobacco	Goods Princ. Im- ported	Goods Princ. Home Pro- duced	All Groups
1938/39	807	944	633	833	806	1,024	963	1,087	863	917
1939/40	827	1,083	806	880	1,013	1,144	950	1,214	868	951
1940/41	846	1,292	858	1,018	1,094	1,355	981	1,408	899	1,023
1939- Aug.	816	944	659	835	825	1,013	909	1,077	830	890
1940- Dec.	841	1,286	852	1,019	1,106	1,359	996	1,409	908	1,030
1941- June	859	1,326	897	1,022	1,128	1,379	960	1,459	882	1,022
Dec.	924	1,400	909	1,146	1,188	1,399	1,000	1,545	921	1,073
1942- Jan.	924	1,431	905	1,158	1,237	1,399	1,005	1,538	933	1,081
Mar.	926	1,481	929	1,160	1,189	1,399	1,033	1,551	957	1,102
Apr.	950	1,480	933	1,160	1,188	1,399	1,062	1,569	978	1,122
May	952	1,480	937	1,161	1,185	1,600	1,161	1,719	1,018	1,188

TRADE & COMMERCE.

The total amount of bank clearings (excl. Treasury Bill transactions) was £116.6 m. in June, 1942 compared with £98.9 m. and £97.4 m. a month and a year earlier respectively. During June, 1942, the Second Liberty Loan, £37.25 m. was raised. The index of bank clearings, which is calculated after excluding loan transactions, reached the high level of 133 in June, 1942, although the volume of trade was affected by clothes rationing. Until May, the index of retail sales in Sydney continued at a high level. Employment in retail trade, shown on another page, is declining but prior to May this was due to Army call-up. Recently the number of females employed by retailers also has tended to decline.

Sales at wholesale, for which the latest statistics available are for April, had not shown by that time any downward trend. Sales by 42 large factories, shown in a following table, continued throughout May at high levels.

/Statistics.....

Statistics of value of sales and bank clearings are affected by changes in prices and prices have risen continuously throughout the war period.

Although there is a keen demand for medium price dwellings in good condition, and for sites and buildings suitable for industrial purposes, the ban on the building of new houses (and major alterations) causes a reduction in the volume of real estate offering for sale. The absence of new house building is reflected also in the small amount of mortgages registered.

N.S.W. - BANK CLEARINGS, WHOLESALE TRADE, REAL ESTATE.

Period	Sydney Bank Clearings ϕ		N.S.W. Wholesale Trade-Sales.	Sydney Retail Trade Index of Sales (Base same period 1931)	N.S.W. Real Estate	
	Amount	Index (Base - same period 1926-30).			Sales	New Mortgages and Renewals (Total urban and rural.
	£m.		£m.		£m.	£m.
1938	942.4	101	193.0	143	37.4	27.0
1939	932.3	100	200.3	146	32.2	22.4
1940	1,074.8	113	203.8	156	31.1	16.5
1941	1,139.4	120	229.0	178	33.2	15.6
1941 May	106.3	117x	18.8	172x	2.8	1.3
June	97.4	123x	21.8	175x	3.0	1.3
Nov.	99.6	124x	20.6	204x	2.5	1.0
Dec.	104.9	124x	20.3	184x	3.0	1.2
1942 Jan.	92.0	123x	18.7	160x	2.8	0.9
Feb.	97.1	123x	19.4	166x	2.5	1.0
Mar.	102.6	119x	19.5	178x	2.1	1.0
Apr.	95.4	125x	19.2	194x	2.3	0.9
May	98.9	125x	-	192x	1.2	0.5
June	116.6	133x	-	-	1.3	0.6

x Moving average of three months ended month shown. ϕ Excl. Treasury Bill Transactions. (The Index of Bank Clearings is calculated after excluding loan transactions but no allowance has been made for changes in population and prices since 1926-30).

Current activity is taxing fully the resources of the Australian Gas Light Co. which supplies the bulk of the Sydney metropolitan area. The index of consumption of gas and electricity averaged 148 in 1941 and was 152 in June, 1942.

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY

(Base: Av. corresp. period 1929-31 = 100).

	1939	1940	1941	1942
Yearly Average	131	135	148	145(a)
Month of June	131	135	150	152

(a) Av. first 6 months.

MANUFACTURING.

The operations of 42 large factories in N.S.W. showed little change between April and May, 1942. Sales continue at high levels. Some of the factories are engaged on contracts for the Services.

It is estimated that in all factories in N.S.W. 215,800 males and 81,300 females (total 297,100) were employed in May, 1942, compared with 204,900 males and 73,800 females (total 278,700) in May, 1941. In recent months, the number of males employed in factories has been steady though nearly every class of factory, except the metal industries, is employing fewer men. A few hundred females are absorbed each month.

N .S.W. MANUFACTURING INDUSTRY.

Period	42 Large Factories			All Factories & Works in N.S.W.		
	Sales	Employees	Weekly Wages & Salaries	Employees +	Index of Employment.	
					1928/29 = 100	1938/39 = 100
	£n.	Hundreds	Hundreds £	000		
1938 - Monthly Av.	3.16	235	960	x 225	124	98
1939 - " "	3.26	232	969	x 229	127	100
1940 - " "	3.59	243	1,056	x 237	131	104
1941 - " "	3.40	277	1,326	x 266	147	116
1941 - May	4.30	276	1,302	278.7	154	122
Nov.	4.73	289	1,467	295.1(a)	163	129
Dec.	5.40	288	1,555	293.6(a)	162	128
1942 - Jan.	4.52	282	1,459	292.1(a)	162	128
Feb.	4.77	282	1,484	295.5(a)	163	129
Mar.	5.10	280	1,477	296.6(a)	164	130
Apr.	4.90	278	1,513	296.5(a)	164	130
May.	4.93	278	1,517	297.1(a)	164	130

x Year ended June of year shown.

+ Including working proprietors.

(a) Subject to revision.

Regulations which came into force on 27th July restricted styles and types of apparel which may be manufactured. The manufacture of formal evening wear and many sports clothes was prohibited and men's suits must henceforth be "Victory" style.

EMPLOYMENT, N.S.W.

Total wage-earners (excl. household domestics) in non-rural employment decreased again in May, 1942. At the end of May, the total was 776,500 or about the same as in August, 1941. Males have shown a net decrease of about 21,000 since November last. Although the number of wage-earners enlisted or called up from non-rural occupations greatly exceeds this figure, there has been an inflow from other sources including persons previously not occupied as wage-earners etc. and persons formerly in rural employment.

Some indication of the decrease in man power engaged in rural occupations is given in a later section.

The rate of increase of females in employment has declined. Many more avenues of employment are being opened to women. Although the total number of females employed is not increasing very rapidly, many are taking over essential work done by men in munition factories, on the railways and elsewhere thus stepping up the war effort.

NEW SOUTH WALES.

ESTIMATED TOTAL WAGE-EARNERS EMPLOYED (EXCL. RURAL AND HOUSEHOLD DOMESTICS).

End of Month.	MALES			FEMALES			TOTAL		
	Government (C'wlth., State & Local).	Private Employers.	Total	Government (C'wlth., State & Local).	Private Employers.	Total	Government (C'wlth., State & Local).	Private Employers.	Total
	'000	'000	'000	'000	'000	'000	'000	'000	'000
1933 June	103.2	275.7	378.9	16.8	101.8	118.6	120.0	377.5	497.5
1939 July	136.5	399.1	535.6	19.4	141.3	160.7	155.9	540.4	696.3
1941 July	141.5	423.1	564.6	21.7	185.0	206.7	163.2	608.1	771.3
Oct.	143.7	432.1	575.8	22.7	190.2	212.9	166.4	622.3	788.7
Nov.	144.3	431.2	575.5	23.0	193.0	216.0	167.3	624.2	791.5
Dec.	146.4	428.2	574.6	23.4	193.7	217.1	169.8	621.9	791.7
1942 Jan.	146.1	420.8	566.9	23.8	191.5	215.3	169.9	612.3	782.2
Mar.	148.9	411.7	560.6	25.0	195.2	220.2	173.9	606.9	780.8
Apr.	151.1	405.9	557.0	26.2	196.0	222.2	177.3	601.9	779.2
May	151.5	402.7	554.2	26.9	195.4	222.3	178.4	598.1	776.5

(Excludes relief workers and persons enlisted in the Forces and Women's Auxiliaries)

The following table shows the trend of employment in certain broad industrial classes. The numbers shown do not represent the total numbers of wage and salary earners employed in the specified industry groups.

Employment in retail trade, other commerce and finance and building and construction is declining. However employment of females in all industrial groups, including factories is increasing. There is a possible exception in the case of retail trade in which females employed showed showed a decline in May. Sales of clothing were restricted from May 11th and rationed from June 15th.

Employment in building and construction, as shown in the above table, has been declining for several months. However, large numbers of men engaged by certain Government and local authorities, but not shown separately in Pay Roll Tax returns, are omitted from this group.

NEW SOUTH WALES.

EMPLOYMENT OF WAGE AND SALARY EARNERS AS RECORDED BY EMPLOYERS ON PAY ROLL TAX RETURNS.

(Thousands)

Last Pay Day in Month	EMPLOYEES RECORDED BY:-						
	All Employers Furnishing Returns (a)	Employers whose main activity was					
		Mining & Quarrying	Building & Construction	Transport.	Retail Trade	Other Commerce & Finance	Other Private Employment (Personal Services etc)
1941-July	648.1	21.9	21.0	80.7	63.3	66.1	-
Sept.	666.4	22.0	20.8	84.4	63.1	67.6	-
Dec.	666.4	21.9	18.2	88.2	66.7	66.9	37.0
1942-Jan.	653.9	21.5	19.2	86.4	62.5	66.2	36.2
Mar.	653.9	21.3	20.1	86.6	61.1	64.5	35.1
Apr.	652.1	21.1	19.2	88.3	60.8	64.0	34.8
May	648.6	21.2	18.6	88.9	59.0	62.6	34.6

(a) Covering approx. 13,800 establishments (excl. C'wealth Government charities etc.) where wages paid exceed £20 per week. (Employees absent on military service are excluded).

/During.....

During April, May and June, 1942, National Service Offices have sent 26,000 males and 7,000 females to employment. The engagement of any person including women under 45 years of age must now be approved by a National Service Office, except in rural, shipping or stevedoring work, casual work of a few days duration. Previously females did not come within this regulation.

The number of males registered as unemployed at National Service Offices at the end of June, 1942, was 1,913 of whom 1,691 were adults. Nearly all the 1,691 men were over 60 and therefore not adaptable to use of machines.

N.S.W. - UNEMPLOYED MALES REGISTERED.

	<u>March</u> <u>1942</u>	<u>April</u> <u>1942</u>	<u>May</u> <u>1942</u>	<u>June</u> <u>1942.</u>
Metropolitan Area	1,340	1,543	839	463
Other areas	<u>1,101</u>	<u>1,145</u>	<u>1,347</u>	<u>1,450</u>
Total	<u>2,441</u>	<u>2,688</u>	<u>2,186</u>	<u>1,913</u>

BUILDING.

Private building, except for industrial purposes, has fallen to a very low level. The Metropolitan Water Board discloses that the estimated value of buildings commenced was £180,000 in April 1942, £444,000 in May and £842,000 in June, 1942. These totals included business premises £139,000, £362,000 and £775,000 respectively. The great bulk of this new building is in suburban areas.

Building contracts let by public authorities have declined in recent months.

But a large construction programme is in progress at present and some work for which contracts are not let is being carried out by Government authorities. A.R.P. work is excluded from building statistics.

Permits for private buildings granted in June Qr. compared with December Quarter, 1941, were down 86½% in the metropolitan area and down 70% in other areas.

PRIVATE BUILDING PERMITS AND GOVERNMENT CONTRACTS ACCEPTED.

Estimated Cost of New Buildings, Alterations & Additions.

PERIOD.	PRIVATE BUILDING.		PUBLIC BUILDING. (C/w. and State Govts.)		TOTAL BUILDING. (as far as recorded).		
	Sydney & Suburbs	Other N.S.W. as far as Recorded (a)	Sydney & Suburbs	Other N.S.W. as far as recorded.	Sydney & Suburbs	Other N.S.W. as far as recorded.	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1938	14,042	6,330	x	x	.	.	.
1939	12,219	5,362	x	x	.	.	.
1940	11,718	4,888	894	2,672	12,612	7,560	20,172
1941	10,847	4,758	1,520	2,894	12,367	7,652	20,019
1941 - Oct.	768	)	176	202	944)	
Nov.	809	) 1,060	101	218	910	) 2,017	4,508
Dec.	539	)	98	537	637)	
1942 - Jan.	247	)	135	578	382)	
Feb.	121	) 533	128	294	249	) 1,746	2,453
Mar.	56	)	20	341	76)	
Apr.	86	)	79	169	165)	
May	98	) 315	65	189	163	) 876	1,363
June	105	)	54	203	159)	

x Not available

/ Contracts accepted, excluding work carried out by Government authorities by day labour.

(a) Collected at quarterly intervals from Municipalities and Seven Shires adjoining the Sydney Metropolitan Area. With few exceptions other shires do not supply returns.

(A.R.P. work is excluded).

/PUBLIC.....

PUBLIC TRANSPORT.

The operations of the railways and tramways are shown in the table below. Railway passenger traffic in 1941/42 was 12.7% above the previous year and tonnage of goods and livestock carried was 3.4% greater. Week-end and inter-state travel has been restricted to ease the strain on rolling stock and staff. The staff, reduced by war service, is working long hours and maintenance work has not been up to previous standards owing to shortage of labour and materials. Adequate financial provision has been made for maintenance work. A big programme of construction and duplication is being carried out. The recommendations of the Co-ordinator General of Works to the Loan Council now in session include the allocation of £518,000 for duplication of lines, £300,000 for new locomotives and rolling stock and £320,000 for the new Hawkesbury River Bridge.

N.S.W. PUBLIC TRANSPORT.

Period	Railways - N.S.W.			Trams & Buses - Sydney & Newcastle	
	Passenger Journeys	Tonnage of Goods & Livestock	Excess of Revenue over Working Expenses (a)	Passenger Journeys	Excess of Earnings over Working Expenses (b)
	millions	'000 tons	£'000	millions	£'000
1938-39	186.7	15,417	4,603	375.2	667
1939-40	179.1	13,620	5,308	378.3	700
1940-41	194.1	18,031	6,054	406.9	858
1941-42	218.8	18,651	5,974	476.6	783

(a) Excl. interest, sinking fund and exchange - £n.6.56 in 1939/40 and £n.6.62 in 1940/41.

(b) Excl. interest, sinking fund, exchange and current depreciation - £n.0.67 in 1939/40 and £n.0.66 in 1940/41.

Passengers carried in 1941/42 by trams and N.S.W. Government omnibuses were 17% above last year. The working surplus was lower. Operating costs are higher. Some 400 female conductors etc. will be added to the staff if approval is obtained from the Women's Employment Board. Females are to be employed by the Railways Commissioner in sixteen additional occupations.

Motor vehicles registered continued to decrease. The number in June, 1942 compared with May, 1942 and August, 1939 is shown below:-

MOTOR VEHICLES REGISTERED.

	<u>Aug. 1939.</u>		<u>May, 1942.</u>		<u>June, 1942.</u>	
	<u>Cars.</u>	<u>Lorries, etc.</u>	<u>Cars.</u>	<u>Lorries, etc.</u>	<u>Cars.</u>	<u>Lorries, etc.</u>
No. on Register	217,000	78,000	170,000	72,000	170,000	71,000
Av. weekly Reg'ns. of New vehicles	322	146	17	10	26	4

(Excludes military vehicles).

An order gazetted on 21st July, 1942 gave the Commonwealth Land Transport Board wide powers over vehicles and their use. Vehicles fitted with producer gas units may not be disposed of without permission.

Some 300 motorists in N.S.W. are using town gas as motor fuel. Additional supply points are being provided.

By June, 1942, 36,000 vehicles in Australia had been fitted with producer gas units. In N.S.W. the number of permits to fit units issued from December, 1941 to 24th July, 1942 was 8,301.

/RURAL.....

RURAL INDUSTRIES.

Seasonal Conditions. In sheep and wheat districts average rainfall was above normal in each of the months May, June and July. Coastal districts did not fare so well but in June rainfall was 73% of normal and in July 86%. Very useful rain fell in the dry coastal areas of the South Coast and Hunter-Manning. Inland, floods were experienced in the North-west in July but little damage was reported. Pastoral conditions are very good and agricultural areas are satisfactory though in some places crops have been affected slightly by excessive moisture.

Rain retarded shearing operations in July.

RAINFALL INDEX.

Weighted average ratio of actual to normal rainfall.
Average rainfall for each month = 100.

Month	Sheep Districts.	Wheat Districts	Dairying Districts (Coastal only).
1942 - Jan.	34	31	26
Feb.	147	158	180
Mar.	74	70	108
Apr.	27	37	45
May	196	237	32
June	118	128	73
July	149	113	86

EXPORT PRICES.

The Commonwealth Statistician's Export Price Index (Changing Base) for May 1942 was 1,018 on the basis of May, 1941 = 1000.

EXPORT PRICE INDEX (CHANGING BASE).

(Base: Av. weighted price level in corresponding months
of previous year = 1000).

Trade year ended May compared with same period in previous year:	1939/40.	1940/41.	1941/42.
	1,181	1,056	1,018

EMPLOYMENT IN RURAL INDUSTRIES, N.S.W.

The number of males permanently engaged in rural industries in N.S.W. in March, 1942 was 105,123 compared with 121,364 in March, 1941. The loss of 16,200 males was distributed as follows:- Dairying, 5,573; Pastoral, 4,676; Agriculture, etc. 5,992. In addition, the number of men engaged seasonally on rural holdings is estimated to have decreased from about 30,000 to some 20,000. The number of females who were working owners, losses etc. increased by 547, permanent females employees increased by 311 and unpaid relatives helping increased by 1,715.

I. PERSONS PERMANENTLY ENGAGED IN RURAL INDUSTRIES, N.S.W.

Year	Agriculture, Poultry, Pig & Bee-farming.			Dairying.			Pastoral.			Total, Rural Industries.		
	Males	Fem.	Total	Males	Fem.	Total	Males	Fem.	Total	Males	Fem.	Total
1938-39	44,627	356	44,983	35,860	6,505	42,365	45,854	198	46,052	126,341	7,059	133,400
1939-40	43,269	446	44,715	35,915	7,130	43,045	46,372	266	46,638	125,556	7,842	133,398
1940-41	41,105	544	41,649	34,170	7,852	42,022	46,089	310	46,399	121,364	8,706	130,070
1941-42	35,113	940	36,053	28,597	9,489	38,086	41,413	850	42,263	105,123	11,279	116,402

II. PERSONS PERMANENTLY ENGAGED ON RURAL HOLDINGS IN N.S.W.

Capacity.	1939-40 (a)			1940-41 (a)			1941-42 (a)		
Persons Permanently engaged on Rural Holdings- Owners, Lessees & Share-farmers:	67,443	1,298	68,741	66,395	1,275	67,670	64,238	1,822	66,060
Permanent employees receiving wages:	40,484	1,018	41,502	38,626	1,274	39,900	28,546	1,585	30,131
Relatives not receiving wages:	17,629	5,526	23,155	16,343	6,157	22,500	12,339	7,872	20,211
Total	125,556	7,842	133,398	121,364	8,706	130,070	105,123	11,279	116,402

(a) Year ended March.

AREA UNDER CROP AND PRODUCTION, N.S.W.

The total area under crop in 1941/42 was 5,914,061 acres, compared with 6,365,435 acres in 1940/41. There was a decrease of 524,000 acres in the area sown with wheat for grain, hay etc. and a substantial increase in the area under oats.

AREAS UNDER PRINCIPAL CROPS.

Season ended March.

Crop.	1939/40	1940/41	1941/42
Area harvested for grain -	acres	acres	acres
Wheat	4,380,595	4,455,963	3,968,758
Oats	405,262	236,910	303,860
Maize	115,856	142,137	117,262
Rice	24,120	24,547	23,721
Area harvested for hay -			
Wheaten	264,239	354,833	346,261
Oaten	349,266	248,493	289,943
Lucerne	89,958	109,164	75,855
Area of -			
Green fodder, or fed-off	519,581	579,656	(a)
Orchards	69,590	69,082	68,523
Grapes	16,983	16,478	(a)
Potatoes	19,232	17,836	17,685
Bananas	14,456	15,264	(a)
Sugar Cane (cut for crushing)	10,488	10,192	8,491

(a) Not available.

Production of principal crops in the last three seasons is shown in the following table:-

CROP STATISTICS, N.S.W.

year ended 31st March.

Crop.	Unit of Quantity	Production.			Area
		1939/40	1940/41	1941/42	1941/42 acres
Grain -					
Wheat	Bus.	76,552,000	23,934,000	48,500,000	3,968,758
Maize	"	2,832,800	4,044,000	3,141,720	117,262
Oats	"	6,903,990	1,995,330	4,118,091	303,860
Rice	"	1,857,650	2,240,267	2,240,000	23,721
Hay - Wheaten	tons	373,000	271,195	315,393	346,261
Oaten	"	460,369	177,070	283,978	289,943
Lucerne	"	127,983	166,660	113,914	75,855
Root - Potatoes	"	40,531	50,388	38,634	17,685
Crops Onions	"	695	714	1,131	370
Turnips	"	23,169	32,205	25,071	8,728
Misc.-Tobacco (Dried)	Cwt.	4,674	8,589	7,461	953
Sugar Cane (Crushed)	tons	274,548	342,548	359,433	8,491
Tomatoes	$\frac{1}{2}$ cases	644,281	685,402	655,338	2,010

DAIRY INDUSTRIES.

Production of butter and cheese in New South Wales was low in 1941/42. Butter produced by N.S.W. factories in recent years was as follows:-

N.S.W. BUTTER FACTORIES - PRODUCTION.

	<u>1938/39.</u>	<u>1939/40.</u>	<u>1940/41.</u>	<u>1941/42.</u>
<u>Million lbs.</u>	115.8	112.0	105.7	85.1

A Committee appointed by the Commonwealth Government is examining the problems of dairy farmers and a special statistical inquiry is being made as to production, man power etc.

It is recognised that additional labour will be needed to plant and harvest crops on dairies for summer feed, especially if an attempt is to be made to increase output of dairy products. A trial order from the British Ministry of Food for 400 tons of dry butterfat was supplied by a butterfat drying plant in Queensland. It is reported that a plant is being established in Sydney. The growth of this industry will provide an outlet for low grade butter. The new product can be carried as ordinary cargo.

FOOD SUPPLY.

Features of the food supply position are reflected in decisions of the Australian Food Council. States are co-operating in the establishment of local committees to advise on rural problems, organise local man power etc. and help in the achievement of district production quotas. Emphasis is placed on production goals with a view to increased output of foodstuffs.

Attention is focussed on the need for increased production of dairy products, eggs, potatoes and other vegetables, seeds etc. Although the vegetable supply is approaching normal, there are still shortages of potatoes and onions.

No more rice will be made available for civilians in Australia. Supplies will be reserved for Pacific islanders.

Prices for meat are high. The supply of beef is below current requirements but there is an unusually high number of sheep in N.S.W. and Australia to assure

/mutton....

mutton supplies. Sheep have increased in value since the British Government's purchase price for wool was increased and they are bringing good prices in the livestock markets. Little progress is reported of the scheme to dehydrate mutton.

The Food Council has recommended the canning of meat at full capacity and an expansion of vegetable canning to as much as 30 times the peace-time quantity. Representations are to be made to U.S.A. for the supply of further canning equipment. The British Ministry of Food has been invited to send two representatives to Australia to join the discussions of the Food Council.

WOOL.

Shearing is in progress. Some delay has been experienced owing to wet weather. Some early shorn clips are of less length than usual as some flocks shorn under the zoning system carried less than a years growth.

Sheep owners have been requested again to pack more wool into each bale. The future supply position for wool packs is causing concern and experiments are proceeding with paper wrapping and simple binding with iron straps without completely covering the bale's contents.

An increasing proportion of crossbred wool has been marketed in Sydney in recent years. A higher proportion of the wool is scoured. In 1932-33, wool marketed in Sydney was 90% merino and 10% crossbred, 94% greasy and 6% scoured. The corresponding proportions in 1941-42 were 86% and 14% cr., 90.8% gr. and 9.2% scoured.

WHEAT.

Apart from an excess of moisture in some areas, crop conditions are very satisfactory. As reported in the last Digest the Director of Marketing has estimated that the area sown this year is 24% below last season.

Commenting on the recent International Wheat Agreement, the Minister for Commerce said that the Aust. Stabilisation Scheme was probably the most comprehensive control exercised by any of the wheat exporting countries.

During the current year, the Federal Government will advance £607,000 for the elimination of marginal wheat areas.

The first distillery for the extraction of alcohol from wheat has been officially inaugurated at a country town in N.S.W. Four plants are to be erected, one in each of four States. Each will treat annually 1,250,000 bus. of wheat for about 3 million gallons of power alcohol. It may be possible to raise 30,000 pigs annually from the wheat residue.

The U.S. Agriculture Dept. has revised the estimate of wheat yield from 903 m. bus. to 955 m.

The official estimate of India's wheat crop has been revised. Acreage is 33,979,000 and estimated production 10,070,000 tons compared with an earlier estimate of 10,040,000 tons and 10 million tons produced last year.

Local wheat prices are unchanged. On the Winnipeg exchange July futures averaged 80 13/16 cents a bus. in July compared with 80 3/8 c. in June.

Chicago market averages for September options averaged 119 15/16 in July and 120 11/16 in the previous month.

London prices for Canadian and Australian wheats are unchanged.

COAL.

Coal production in N.S.W. was 9,550,000 tons in 1940 and 11,668,000 tons in 1941. In the six months ended April, 1942 output was 5,765,000 tons. Production is stated to be satisfactory now and the chief problem is distribution. Stocks in southern States are said to be low.

There has been a cessation of industrial stoppages in the coal mining industry. A new code of regulations introduced in July makes it an offence for any employee to precipitate or take part in a strike not authorised by the Miner's Federation. An employer cannot make any change in working customs without approval of the Commonwealth Coal Commissioner, or a Coal Reference Board.